NIC Europe Group Driver Paper
Budapest, April 28-30, 2004.

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Governance—Discuss the boundaries of common policies within an expanded EU in the year 2020 and the key issues and barriers that will remain.

According to the political scientist Roderick Rhodes, the term "governance" has at least six different meanings: the minimal State, corporate governance, new public management, good governance, social-cybernetic systems and self-organized networks.

The European Commission established its own concept of governance in the so-called *White Paper on European Governance*, in which the term "European governance" refers to the rules, processes and behavior that affect the way in which powers are exercised at the European level, particularly in regard to openness, participation, accountability, effectiveness and coherence. These five "principles of good governance" reinforce those of subsidiarity and proportionality.

It is clear that if the EU is to function as a democratic entity in 2020—by which time it may have more than 30 member states--it not only needs to deepen political integration (in order to make its decision-making processes more flexible and to eliminate its so-called democratic deficit), but it also needs to improve governance on all levels.

The main problems of the current EU

The current EU suffers from a number of problems related to governance.

1. It is an <u>institutional hybrid</u> that, due to the way it has developed, combines elements of inter-governmental cooperation, confederation, and federation.

2. It suffers from a <u>democratic deficit</u> that has several causes:
   – interactions among top institutions of the EU do not follow the democratic models known from national states (clear division of powers as well as checks and balances between the executive, the legislative, and the judiciary);
   – the relationship between citizens of national states and EU institutions is not direct;
   – the union is seen as a bureaucratic machinery in which many decisions are made outside democratic political control;
   – there is so far a very low level of identification of citizens of nation states with Europe as their political home; in other words, Europe is not a political nation, there is almost no European *demos*.

3. Pan-European, <u>supranational civil society in Europe is still very weak</u>, it is

fragmented into individual national civil societies.

4. European <u>national states still exercise too much power</u>, which—given the inequalities in their size, wealth and influence causes problems in developing an effective and uniform system of European governance.

5. Finally (and this is perhaps the most controversial point), it is very difficult, if not impossible, to develop a uniform system of governance, if there is <u>no common language</u>.

Solutions proposed by the EU

The White Paper proposes opening up the policy-making process to get more people and organizations involved in shaping and delivering EU policy. It promotes greater openness, accountability and responsibility for all those involved.

More specifically, the paper proposes:

1. <u>Better involvement and more openness</u>, which is to be achieved, in particular, by a stronger interaction with regional and local governments and civil society. The EU wants to establish a more systematic dialogue with representatives of regional and local governments through European and national associations.
2. <u>Better policies, regulation and delivery</u>, which is to be achieved by speeding up the legislative process, while finding "the right mix" between a uniform (pan-European) approach and flexibility in the way the rules are implemented on the ground. The paper recommends simplifying existing EU law, while improving the enforcement of Community law.
3. <u>Global governance,</u> which seeks to apply the principles of good governance to the EU's global responsibilities. That should include, above all, the dialogue with governmental and non-governmental actors of thirds countries, as well as strengthening the Union's international representation in order to allow it to speak with a single voice.
4. <u>Refocused institutions,</u> which aims especially at establishing a stronger link between the goals of the union and those of nation states.

Realistic Solutions Now

It is apparent that the EU, in its current state, can promote some solutions aimed at improving governance. For example, it can already now adopt measures that advance democracy on national, regional, and local levels; in particular, by promoting (or enforcing with the help of national states) measures that can help achieve greater transparency of political proceedings and proper functioning of political parties.

In particular, the EU can, already at its current level of development, promote mechanisms that can serve as guarantees for open political processes. Specifically, it

can—in cooperation with nation states—develop sanctions against states, regions, or municipalities that hinder equal opportunities for participation in political processes, especially the access of women to political positions. It can also improve the legal and institutional framework for the inclusion of minorities in the political process.

The EU can also work with national parliaments and governments to develop policies under which member states tolerate diversity, develop civic dialogue with the public, and protect independent institutions that represent civil society, such public TV and radio.

It should be possible to develop on the European level uniform procedures (and monitoring mechanisms) that ensure that citizens of nation states have proper access to law (publications of legal acts, public parliamentary debates, etc.).

The EU can certainly promote measures that advance impartial, ethical and mediocratic public service, including de-politization of public administration.
This can be achieved by promoting "pan-European" uniformity in this area with the help of common European measures ensuring accountability of public administration, training of civil servants, transparency, and anti-corruption activities. It is, for example, desirable that all EU member states have, at some point, identical standards for civil servants.

The EU can also promote greater participation of civil society on all levels of public life. Civic groups can be given more say in shaping public policies, which requires good access of citizens to information (information technologies that are already available make this possible).

Further decentralization is also a way of ensuring greater involvement of civil society in democratic governance. It is clear that many functions that currently performed by state institutions and civil servants could be performed by civic groups in a more decentralized model of public administration.

Governance in 2020

Despite all such measures, that can be gradually implemented by the EU even in its current state, it clear that a system of really effective, good governance will not fully materialize, unless some major institutional reforms take place in the united Europe.

First, there is in the EU a significant discrepancy at this point between what could be described as "procedural and institutional democracy" and "constitutional liberalism." While the nation states that form the EU have been able to agree on creating a very effective system "constitutional liberalism", (or the European, transnational rule of law) under which individual freedoms, minority rights, and independence of various institutions are guaranteed (and protected by European courts), the procedural side of democracy on the European level leaves much to be desired.

The same is true about the "intangible" side of democracy that could be described as promoting "a democratic spirit", true respect for minority views, tolerance, etc. While the

EU is good at enshrining such values in its body of law, it is not very effective in promoting a real democratic discourse and helping, especially people in new member states (many of which were quite recently living in authoritarian regimes) to internalize such values. Some of those countries could be described as democracies without democrats.

If the enlarged EU is not to collapse it will need to undergo a major overhaul of its decision-making procedures. Good governance may remain only a pipe dream, described in a hardly comprehensible "eurospeak" in various EU documents, if it does organically grow out of a truly united European space, in which a European political nation will begin to form.

Such a political nation—European *demos—*is a prerequisite for any truly uniform and effective system of democratic governance across the continent.

What does need to happen?

1. The political unification of Europe must proceed much faster so that by the year 2020 decision-making processes on the European level resemble what we know from the level of democratic nation states. This means creating a real European parliament that passes real laws and controls the executive branch. The European government must be accountable to such a parliament. In other words, a real system of checks and balances must be created on the European level.

2. Representatives that citizens of Europe elect, for example, to the European parliament must have some real powers and must be accountable to their electorates.

3. The role of nation states needs to diminish; otherwise any hopes for the creation of a European political nation will not materialize. For example, if the European Constitution is adopted (and the position of the European president with it) it would make sense to start phasing out, or greatly reducing importance of, national heads of state, as they will become redundant to some extent anyway.

4. As first steps, the EU needs to create a common foreign policy, security policy, and fiscal policy. Without these pillars, it will very difficult for citizens of current nations to identify directly with Europe. People identify with states where they pay taxes, and which guarantee their external and internal security.

5. Regardless of institutional developments, it is certain that by the year 2020 various national civic groups—ranging from professional associations, trade unions and lobbies to pressure groups and think thanks—will start cooperating, or even coalescing, on the European level. This nascent European civil society will become a driving force for further political integration.

6. Europe will also find it difficult to introduce a system of truly democratic

governance, unless it is decentralized even more than today. National governments will transfer much of their power to regions and municipalities by 2020, and those lower units will work much more than today directly with Brussels. "Breaking up" traditional national states into more "neutral" regions of equal size is one of preconditions for creating a pan-European system of governance.